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ABSTRACT

In August 2001, the National Governors Association (NGA) convened "Influencing the Future of Higher Education," the plenary session of the 2001 NGA Annual Meeting. Governor Parris Glendening of Maryland opened the plenary with remarks about the importance of postsecondary education to the economic and civil prosperity of the states and the United States. Since the inception of the Influencing the Future of Higher Education initiative, three reports have been produced that consider the future and the role of technology in higher education. The panel discussion of this plenary session focused on how the higher education system will have to transform itself over the next decade. Belle Wheelan, president of Northern Virginia Community College discussed the future of community colleges, student acceptance of changes in postsecondary education, and articulation between 4-year schools and community colleges. Freeman A. Hrabowski, president of the University of Maryland Baltimore County, talked about educational planning and the changing demographics of college students. Jorge Klor de Alva, of Apollo International, reminded panelists and participating governors that higher education has become an industry and should be examined as such. In closing, Governor Glendening remarked that the session demonstrated the importance of the NGA initiative. (SLD)

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Preceedings of the Closing Plenary Session "Influencing the Future of Higher Education"

NGA's 93rd Annual Meeting, August 7, 2001
Providence, Rhode Island

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NATIONAL GOVERNORS ASSOCIATION

Proceedings of the closing plenary session
"Influencing the Future of Higher Education"
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On Tuesday, August 7, 2001, National Governors Association Chairman Maryland Governor Parris N. Glendening convened "Influencing the Future of Higher Education," the closing plenary session of the 2001 NGA Annual Meeting. Following is a summary of the session.

Governor Glendening opened the plenary with remarks about the importance of postsecondary education to the economic and civil prosperity of the states and the nation. Knowledge is the engine that will propel our society to a bright and prosperous future, he said. How well each state's colleges, universities, technical schools, and virtual campuses succeed in educating citizens to take their places in that future will be critical to both their own and our national economic development. He declared that postsecondary education will need new approaches: ones that are flexible, adaptive, collaborative, performance-driven, accountable, and customer-focused. Furthermore, he cautioned, postsecondary education cannot be centered only on technology, but must foster critical thinking as well. Exploring such new educational parameters has been the focus of NGA's efforts through its *Influencing the Future of Higher Education* initiative.

He commended the efforts of Kentucky Governor Paul E. Patton and Pennsylvania Governor Tom Ridge, lead governors of the initiative. Since its launch in March 2000, three reports have been produced: *Higher Expectations: Essays of the Future of Postsecondary Education, The State of E-Learning in Higher Education, Opening Doors: Expanding Educational Opportunities for Low-Income Workers* and *A Vision of E-Learning for America's Workforce*. In addition, NGA's Center for Best Practices has convened 23 states to discuss important issues, such as building seamless pre-K through year-16 systems and actions that improve college access and completion. Finally, Governor Patton will soon host several states in discussions of ways to improve connections between higher education and economic development.

With that background in place, Governor Glendening introduced NGA Vice Chairman Michigan Governor John Engler and Peter Harkness, editor and publisher of *Governing* Magazine, who served as moderator of the discussion. Freeman A. Hrabowski, president of the University of Maryland, Baltimore County; J. Jorge Klor De Alva, chair and CEO of Apollo International; and Belle Whelan, president of Northern Virginia Community College, comprised the panel.

Mr. Harkness opened the discussion with facts about the changing enrollment trends, means of delivery, and demographics of postsecondary education. Between the mid-1980s and the mid 1990s, undergraduate enrollment increased by 30 percent in the South, 17 percent in the Far West; and 15 percent in the Southwest. Those situations will continue: by 2010, California alone is expected to add 715,000 more undergraduates to its public campuses, an increase of one-third from the current level; by 2012, there will be 20 percent more high school graduates in the nation than there were in June 2000; and the number of nontraditional, in-service students has increased dramatically. States have adopted many strategies to address

those new realities. The State University of New York's Learning Network, an on-line educational service, has doubled its enrollment in just one year. California is increasing the number of summer sessions at its public universities, as well as offering college credits for advanced placement courses students take in high school. All over the country, two-year schools are being converted to four-year institutions.

Nonetheless, there is a feeling among many that postsecondary education is not keeping pace with its increased responsibilities, especially those to an ever-increasing number of poor and/or minority students and adults entering the workforce. If it is true that 80 percent of the jobs of the future will require some postsecondary education, then universities will face an even broader expansion of their mandates to educate wisely and well.

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Because governors face increasing pressure to improve their state workforces, they feel a special sense of urgency about making higher education more responsive to their states and their economies. Aligning postsecondary education with state needs, however, will require strong political leadership, a fundamental shift in the ways learning takes place, as well as concerted efforts to determine meaningful measures of value. All those endeavors must take place when state revenues are falling. Governors are then asking how they can best help define the outcomes and services of their state university systems.

Given those situations, Mr. Harkness asked the panel how the higher education system will have to transform itself over the next decade.

Dr. Wheelan recounted the experiences of Northern Virginia Community College in light of its new challenges. Community colleges have always been responsive to the needs of their communities, but the explosion of the knowledge-based economy has left them short—in funding, in equipment and infrastructure, and in competent faculty. She believed governors must encourage—even ensure—partnerships between colleges and business that will cover the shortfall of funds from states. Without such collaborations, colleges and universities will fail to keep up with transitions in technology, and they will not contribute meaningfully to economic development. Indeed, Northern Virginia Community College is likely to begin turning away students because its operating budget cannot meet the costs of instruction, which include space and faculty salaries. Dr. Whelan was particularly concerned about the latter: those with the technical expertise to teach can double or triple an academic salary by moving to industry. Though adjunct faculty offer value to classroom instruction, they are not usually available to consider issues of governance or to provide meaningful support to students. Nonetheless, they are currently teaching half the classes at her institution.

She also is concerned about how students will accept fundamental changes in education. While adult learners know they must acquire new skills to succeed, they are often resistant to emerging educational technologies, no matter how efficient. The completion rate for online courses at her institution is only 40 percent. Although that will likely change in the future as such offerings become more common, it is a problem now. Her students overwhelmingly want to learn in a real classroom, from a real professor. E-learning, despite its potential allure, is not yet an answer for Northern Virginia Community College nor, by extension, for many other institutions of higher learning.

There are signs of hope in the articulation agreements being worked out between four-year schools and community colleges. Before they expand community colleges to four-year institutions to meet demand, Dr. Whelan encouraged governors to support proposals that fill upper-division, university courses with community college students. Such plans are very efficient, increasing educational opportunities without hiring

new faculty or building new facilities.

Dr. Hrabowski discussed how important thoughtful planning is to the future of postsecondary education. He said policymakers and educators must first consider the importance of the traditional liberal arts education to society. To keep pace with rapidly changing technology, citizens must be comfortable with such change, analyze carefully, and learn new skills—all functions of a liberal arts curriculum. Higher education needs to find ways to integrate its various curricula so all students receive the best of both worlds: technological expertise and the ability to read, think, and be curious.

Colleges need to give careful consideration to the changing demographics of college-age students, said Dr. Hrabowski. Increasingly, freshmen classes are bimodal in their readiness for college-level coursework: some students are exceptionally well-prepared, and others are poorly prepared, which is largely a function of their economic status. In addition, many are returning to school and lack some necessary academic skills and background. He believed governors and states must examine the need to groom leaders and to provide any necessary remediation in the critical areas of reading and mathematics.

Dr. Hrabowski said public/private partnerships in postsecondary education need significant analysis. Maryland encourages cooperation between companies and campuses to build local economies. Faculty and corporate executives collaborate on curricula and seek ways to meet current and future workforce needs. Though it is a nontraditional model, it has potential to benefit all involved.

Dr. Klor de Alva agreed with the other panelists, but asserted that higher education has become an industry and should be examined as such. The nation cannot educate its citizens for the future through medieval institutional principles that lack scalability, uniformity, quality assurance, and productivity standards. He pointed out that the University of Phoenix, of which he was once president, became the nation's largest private university in only 32 years. It accomplished this by rethinking the entire concept of postsecondary education, creating the right incentive structures, increasing productivity, and eliminating programs and efforts that do not work.

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States could replicate that success, he said, not merely by investing more money in postsecondary education, but by examining the relationship between productivity and return on investment. He urged governors to rethink the processes by which rules and regulations are constructed and the economic consequences of existing regulations. He said incentives were one of the most important aspects of higher education. If institutions have no reason to change, they will not do so. If they do not transform themselves, they will not be productive in the long run nor contribute to their state's economic growth.

Mr. Harkness asked the panel how states could improve access to—and success in—higher education for their least-advantaged students.

Dr. Hrabowski's campus produces the highest national average of African-American students entering graduate school in the sciences. If states are to expand educational access to more of their citizens, he said, they must focus on improving the academic skills of their poor and/or minority elementary and high school students. He reiterated if a student cannot read well or perform mathematical calculations at the requisite level, all the college access in the world will be of no value. He said cooperation between postsecondary and K-12 institutions, such as those being studied by NGA's *Influencing the Future of Higher Education* initiative, holds

great promise.

The preparation of teachers also is immensely important. Colleges must produce teachers who can motivate children whose families cannot—or do not—prepare them for academic success. He said universities, corporations, and entire communities must consider a different model for educating children, one that includes after-school programs and summer initiatives.

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Dr. Wheelan said if a student cannot read, write or think, that student will not get a job that contributes to a state's economy. Strengthening the K-12 curriculum is the only way to avoid expensive remediation at the college level, and she commended the governors for their efforts in that regard. She cautioned that some skill development always will be necessary, especially for those students who have been out of school for a time before attending college, so basic math and reading comprehension classes should not be removed from postsecondary curricula.

Dr. Klor de Alva said incentives must be provided to nontraditional and poor students. These incentives will stem from creating the right performance and accountability measures for universities. He said higher education and K-12 education should be linked much more closely; in fact, public universities should be responsible for the performance of K-12 schools in their bailiwicks. A state could, for example, contract with those universities to increase retention and academic standards in their local schools, and then reward them for doing so.

To accomplish this goal, governors and their staffs will need to make a significant intellectual and political investment to clarify what their states need from their entire educational systems. They would need to involve the public, university faculties, and K-12 teachers and administrators. This would be difficult, but would eventually change for the better how postsecondary education is centered and delivered. He emphasized this does not mean a new series of regulations, but a new concept of integration and accountability—one that would allow states to improve educational productivity without increasing budgets. Maintaining the necessary level of involvement would involve far more than mere oversight, he said. Only significant participation by colleges and universities would develop K-12 policies that would make postsecondary education a reality for many who would not otherwise participate in it.

Governor Ridge posed questions to the panel. What was their reaction to the price of higher education rising much faster than inflation? Did the panel have any ideas on how to control the costs the American people must pay? Access to education is important, he said, but part of access is the ability to finance that education. He wondered if the panel was concerned that fewer individuals seem to complete college in the usual four years. How well are graduates prepared to become productive workers? Finally, he asked for suggestions on valid performance measures in those areas, given that the ones the governors developed for K-12 would not work for institutions of higher learning.

Dr. Hrabowski cited a study by the American Council on Education that shows while the public does not want costs to escalate precipitously, it is by and large satisfied with the price it is paying to educate its citizens. There are, however, actions governors, legislators, and educators can take to maintain and improve that satisfaction.

The most important measure comes from the employers of college graduates. Are they pleased with the

skills those students have and with their attitudes toward customers and fellow employees? If not, what specific skills are students missing? What will it take to provide employers with a competent, committed workforce? Time-to-degree can be a measure as well, but not necessarily in the traditional sense of finishing a baccalaureate degree in four years. In fact, many students are better served by working part time while attending college. They earn money, they can connect their work with their classroom activities, and they establish relationships with their employers that may lead to better jobs after graduation.

Performance measures should be based on an institution's mission, said Dr. Wheelan. At Northern Virginia Community College, 70 percent of the students attend part time, so traditional assessments such as time-to-degree will not work for them. Most of her students are there solely to obtain training or certification to assist them in their working lives. Only one-third of the students intend to complete a degree, so graduation rates are not valid, but transfer rates might be appropriate for those students who do plan to pursue a bachelor's degree. It would also be suitable to judge a community college's performance on the rates at which their students complete certificates, find jobs, or get promotions.

Utah Governor Michael O. Leavitt raised the frustration many employers feel with higher education's inability to measure competency in meaningful ways. Some of his corporate constituents felt that employees did not have the requisite knowledge to perform the jobs for which they were hired. He believed the problem was widespread, affecting both high school and college graduates. He asked the panelists for their thoughts about competency-based education.

Dr. Wheelan responded that community colleges have built their reputations by working with companies to offer certification programs in the hard skills necessary to succeed in the marketplace. She warned that competency-based education is not a panacea. It's true that a student either passes or fails, but some students pass with a 70-percent rate of competency, which may not be good enough for an employer. Corporations also complain their employees do not have the "soft skills"—e.g., teamwork—that are needed and which cannot be addressed in competency-based courses.

Given that information and those problems, Governor Leavitt said states should be concerned with developing uniform criteria for acceptable levels of competence in a number of fields, measures upon which employers could rely.

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Dr. Klor De Alva said the heart of the debate on higher education is determining the most important reporting structures. He doubted that most colleges have the proper information to perform their jobs productively; and believed their performance standards are weak and misguided. The clarity of educational purpose must come from governors down, not from the institutions up. While states and higher education may have the same goals, they are not in the same business, he said. Education policy must be grounded in real data and in desired goals, not in hunches or anecdotal information. If institutions are being paid to educate individuals to contribute to a state's economic development, they should meet objective measures. Outcomes-based education is an example of establishing regulation for the right purposes. The success of the University of Phoenix is tied directly to its strong emphasis on consistent outcomes. Were that orientation replicated at other institutions of higher learning, he said, it would go a long way toward resolving many of the issues states are addressing.

Dr. Hrabowski said higher education has benefited from institutional competition. The new, customer-focused institutions have forced traditional colleges to rethink their missions and their means of delivering

knowledge. He cautioned that an effective transformation of postsecondary education must comprise a mix of educational opportunities: certificate programs, traditional four-year degrees, distance learning, professional internships, and public/private partnerships. Each of those elements will require different measures of quality.

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He believed individual states should set their own criteria, not only through the measures of employer satisfaction, but through the responses of all a state's citizens. Do parents, students, graduates, and members of society at-large believe their colleges are providing the right set of skills to get and keep good jobs? Are they giving students the proper kinds of support? Those results offer a very valid way to measure performance. Of course, he said, colleges can do better, but the policies they are now establishing in light of customer response are first steps in the right direction.

Governor Patton asked about costs. Assuming states could motivate greater participation in postsecondary education, how could either the public or the universities afford it? In most service areas, the per-unit cost is declining, but not so in higher education. When can the public expect increased efficiency in postsecondary education, which would lead to reduced per-unit costs and a corresponding increase in quantity?

Dr. Hrabowski began by giving what he said was the obvious answer: Those states that will be most competitive are those that will attract the smartest people. And those people and their accompanying equipment are very expensive. He suggested that governors work closely with companies to develop public/private partnerships that will generate revenues to help build a workforce. There is a correlation between the cost of educating a smarter workforce and the resulting productivity that leads to additional state revenue.

Ms. Wheelan said it is important to differentiate between capital budgets and operating budgets in assessing the costs and efficiency of higher education. Technology requires extensive changes in existing buildings and, in some cases, expensive new buildings. Absent such improvements in their classrooms, students will not be attractive to employers. She reminded governors of the cost of unfunded mandates, such as those under the Americans with Disabilities Act that postsecondary education must cover. In the long term, governors and states must find ways to assess the worth of all their financial investments in higher education.

Governor Leavitt decried the worship of process in higher education. Until we realize that process does not produce knowledge, unless we establish measures that clearly assess the outcomes of postsecondary education, we will never comprehensively address the issue of cost. Knowledge can be measured, certified, and validated in a variety of ways, not only in the process-heavy means currently used by educators.

Governor Patton agreed that too many people in postsecondary education and in accrediting agencies fail to consider new ways of conveying knowledge, adhering instead to traditional academic lectures as the only way to teach. He suggested a model in which students learn the material in whichever ways works best for them and the professor assesses mastery.

Dr. Hrabowski reiterated that many higher learning institutions are already implementing outcomes-based education. However, they cannot succeed in those efforts without encouragement and incentives of various kinds, both financial and policy-based.

Dr. Klor de Alva said the current American system of higher education is remarkably inefficient, constantly

reinventing the same things at a very high cost. The price of higher education will continue to rise, but if we are to drop its per-unit cost, we must amortize the total costs across a larger base, which is impossible without the scalability that stems from flexibility.

Governor Glendening thanked Mr. Harkness, the panel members, and the governors who participated in the discussion. He said the lively session demonstrated the extraordinary importance of the initiative NGA is undertaking on higher education. All the governors realize the need to make their states attractive to businesses and, in turn, to examine their postsecondary education systems for cost effectiveness, accessibility, accountability, competition, partnerships, policy, and regulation. Despite what will no doubt be a series of heated debates on these and other issues, the states have made tremendous strides in K-12 education, which augurs well for a successful outcome to the NGA focus on postsecondary education.

For more information, view NGA's higher education Web page at http://www.nga.org/center/topics/1,1188,D_1507,00.html or contact Kristin Conklin, NGA Center for Best Practices, 202/624-3623 or kconklin@nga.org.

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